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¶1. Summary: Kazakhstan faces major challenges in the water sector. Recent GOK activities reflect an increasing awareness of the severity of the problem. Domestically, it created the "Water Supply Sector Program 2002-2010," a 115 billion tenge ($900 million) program intended to ensure a sustainable supply of clean drinking water. In a push to erase the damaging legacy of Soviet-era resource management, Kazakhstan made regional water use a primary theme at a recent meeting in Astana of Central Asian leaders. Nevertheless, despite Kazakhstan's commitment, daunting challenges remain. The deterioration of existing water supply infrastructure is taking place faster than rehabilitation. In rural areas, access to clean drinking water has greatly decreased in recent years. Regionally, efforts to effectively manage the resources of the Syr Darya Basin have achieved little success. Moreover, the growth of Western China may further threaten Kazakhstan's water security. The United States has provided significant assistance to various water programs in Kazakhstan. Most USG water-related projects have ended, however, leaving the U.S. with fewer opportunities to demonstrate its commitment to an issue of great importance to Kazakhstan. End summary.

Clean Drinking Water: Emerging Commitment, Distant Result?

¶2. The deterioration of existing water supply infrastructure in Kazakhstan is taking place faster than rehabilitation. According to a UNDP survey, only 36% of rural inhabitants are connected to piped water. As a result, in rural areas access to good quality drinking water has greatly decreased. In the Pavlodar oblast, 43% of settlements use water that does not meet national standards. Half of the 840 villages in the Almaty region do not have access to safe drinking water. In the Ili River and Lake Balkhash regions, water must be trucked into 42 settlements because villagers currently drink untreated water.

¶3. In order to combat the critical state of its drinking water, Kazakhstan introduced the "Water Supply Sector Program 2002-2010," a 115 billion tenge ($900 million) program aimed at creating a sustainable supply of healthy drinking water. Key elements of the two-stage program include the construction and reconstruction of water supply systems and facilities, the rehabilitation and decentralization of large group water pipelines, and the introduction of new water treatment technologies. From 2002-2004, 33 billion tenge ($257 million) was spent under the program, with two billion tenge ($15

million) coming from foreign loans and grants. Kazakhstan also co-financed a $34.6 million loan from the Asian Development Bank for Rural Area Water Supply and Sanitation (WSS) to 800 rural villages in four oblasts.

¶4. In addition to the water supply program, Kazakhstan recently enacted a series of water-related laws and policy documents. In 2003, a new water code was introduced to address water use rights, water management, and use and protection of transboundary water resources. The GOK has also issued the "National Strategy and Action Plan to Combat Desertification" and the "National Environment Action Plan for Sustainable Development."

¶5. Despite Kazakhstan's efforts, major obstacles remain. According to a UNDP report, a growing number of water-pipes in the country do not meet sanitary requirements. Moreover, a report funded by the Asian Development Bank warned that the 115 billion tenge allotted for water sector reform and improvement will have limited impact, if not managed effectively. Kazakhstan lacks qualified and experienced water experts to implement the reforms. The report's authors estimate that without additional professional staff to oversee the "Water Supply Sector Program 2002-2010," only 25% of the Kazakhstani planned water supply sector program will be introduced by 2010. The increase in population served with water will be as low as ten percent. They also believe that many of the projects implemented will be of poor quality and unsustainable.

Transboundary Issues: Competition for Limited Resources

¶6. More than 50% of Kazakhstan's water resources begin outside the country's borders. As a result, the failure of the Central Asian nations to create a viable multilateral approach to replace the Soviet system of water management poses a continued

threat to Kazakhstan's water security. The greatest point of contention remains management of the Syr Darya basin, shared by Kyrgyzstan, Tajikistan, Uzbekistan, and Kazakhstan. The four countries have yet to create an effective water resource management program to balance the summer irrigation needs of Kazakhstan and Uzbekistan with the winter energy needs of Kyrgyzstan and Tajikistan.

¶7. At a summit meeting in Astana on September 1, the presidents of Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan made water use a primary theme. The four leaders agreed to form a working group to discuss the creation of a regional water and energy consortium to regulate the transboundary transfer of natural resources and to resolve water disputes. Promises of future discussions, however, did not lead to the establishment of any framework for concrete action.

¶8. The leaders agreed at the summit to revive the International Fund for saving the Aral Sea. The Fund will be chaired by Kyrgyzstan and based in Kazakhstan, with an information center in Almaty. At a news conference at the conclusion of the summit, President Nazarbayev expressed his support for a plan to divert Siberian waters to save the Aral Sea and to provide Central Asia with additional water resources. Anatoliy Ryabtsev. Chairman of Kazakhstan's Committee on Water Resources, told ESTH officer at a subsequent meeting that Kazakhstan does not intend to divert Siberian waters. According to Ryabtsev, Moscow Mayor Yuriy Luzhkov first proposed the plan several years ago, but Kazakhstan has never seriously considered the idea.

¶9. The six member states of the Eurasian Economic Community (EEC) - Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan - discussed water use in Central Asia at an August 15-17 summit meeting in Sochi. Russia forwarded an initiative to establish a Eurasian hydro-power consortium. Plans for the consortium's structure and operations are expected to be detailed in time for the next EEC summit.

¶10. Kazakhstan also faces increased water pressures because of

Western China's rapid economic growth. China's increasing hunger for water may significantly impact Kazakhstan's Ili and Irtyush Rivers. The Ili River, which originates in China, provides Lake Balkhash with 80 percent of its water. The Irtysh, which also originates in China, supplies a number of lakes in Kazakhstan as well as the Irtysh-Karaganda Canal. Water Resources Committee chairman Ryabtsev told ESTH officer that China and Kazakhstan have established a successful framework for water resource cooperation. Some environmentalists, however, dispute the government's appraisal. The Kazakhstani NGO Tagibat (Nature) says that new factories in Western China and its growing population are draining both rivers and could create an environmental disaster worse than the Aral Sea. The UNDP agrees that Lake Balkhash, only slightly smaller in area than Lake Baikal, is in danger of drying out.

U.S. Contributions

¶11. In 2003, the U.S. EPA began to fund the Clean Water Financing Program, creating a network of financially sustainable village water systems in rural areas of the Almaty oblast. The program attempts to create a sense of ownership among users through their commitment to pay a portion of the capital (construction) costs and the full cost of the system's operation and maintenance. After the initial construction costs are collected, participating villages organize themselves into a series of democratically elected committees to allow them to independently manage their water systems. The USG has spent over $250,000 on the project, and today six village projects have been completed, bringing safe drinking water to more than 8,000 people in the Almaty Oblast. (See reftel)

¶12. USAID has financed several major programs in Kazakhstan. From 1993 to 1997, as part of the Aral Water Basin Program, USAID spent $5.5 million to bring clean drinking water to Kazakhstanis living along a 240 kilometer pipeline stretching from Aralsk to Kazalinsk. The project rehabilitated well-fields, provided chlorination equipment, and rebuilt infrastructure. More than 150,000 people gained access to clean water as a result of the project. From 2001 to 2005, USAID conducted the Transboundary Water and Energy Project, aimed at supporting activities to help leaders in Central Asia to develop and agree on measures to improve water and energy

cooperation in the Syr Darya Basin. The U.S. spent $3.3 million dollars on the project. In 2004, USAID initiated a limited program of support for Water User Associations (WUAs) in the heavily irrigated region of Southern Kazakhstan. WUAs are self-managing groups of farmers which coordinate irrigation and drainage network use in order to ensure fair and equitable water distribution. The program provides training to WUA staff on how to operate as a democratic non-governmental organization and also offers technical training on improved water management.

¶13. USAID also recently installed a unified communications network, utilizing meteorburst technology to enable the rapid collection and distribution of critical, real time weather and water resource information among participating countries in the region. The master station for the network will be located in Kazakhstan, and the GOK has allocated the necessary budgetary resources for the station's operation and maintenance. USAID provided $60,000 for the establishment of a Water Training Center at the Agricultural University in Almaty, which has become the main water management training facility in Kazakhstan and hosts national and Central Asian water specialists participating in vocational training and international round tables.

Next Steps

¶14. Kazakhstan has established a series of regional water basin authorities but poor communication and coordination severely diminishes their effectiveness. The GOK appears eager for additional U.S. expertise and guidance in the area of water basin management. Water Resources Committee chairman Ryabtsev,

told ESTH officer that any additional U.S. assistance with Kazakhstan's efforts to increase access to clean water would be welcomed.

¶15. Comment: President Nazarbayev has stated that a key priority for Kazakhstan is to become one of the fifty most developed countries in the world. This goal will be difficult to achieve if a large number of Kazakhstanis remain without access to clean drinking water. As a result, Kazakhstan can be expected to continue to devote resources to improving its water supply as it strives to achieve a higher level of development. End comment.
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